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June 4, 2003



**Via Facsimile #202/565-9002 and UPS Over-Night Delivery**

Vernon A. Williams  
Surface Transportation Board  
Section of Environmental Analysis  
1925 "K" Street, N.W., Room 504  
Washington, DC 20423-0001

**ENTERED**  
**Office of Proceedings**

**JUN - 5 2003**

Attention: Josephine Gomillion

**Part of**  
**Public Record**

**RE: Proposed Abandonment of the Ankeny Subdivision from M. P. 341.1 near Slater to the end of the line at M. P. 353.5 near Woodward (Equation 346.4=346.6), a distance of 12.2 miles in Boone and Dallas Counties, Iowa; STB Docket No. AB-33 (Sub-No. 187X)**

Dear Mr. Williams:

The Union Pacific Railroad Company ("UP") is in receipt of the following letters filed with the Surface Transportation Board (the "Board"):

1. Iowa Natural Heritage Foundation, October 9, 2002;
2. Iowa Department of Transportation, February 21, 2003; and
3. North American Railcar Operators, March 10, 2003

The Order of the Board in this matter was decided on January 10, 2003 with a service date of January 13, 2003. As part of the Order the Board required the UP to leave in tact all of the right-of-way including tracks, ties and signal equipment (except for public use on reasonable terms) bridges, trestles, culverts and tunnels for a period of 180 days from the effective date of this decision, to enable any state or local governmental agency or any other interested person to negotiate the acquisition of the Line for public use. The effective date of the subject order is February 12, 2003. Therefore, the period for negotiating acquisition of the Line for public use will expire 180 days thereafter or August 10, 2003. The real estate department at the UP has been and stands ready to continue to negotiate with any proper party concerning acquisition of the Line for public use.

Mack H. Shumate, Jr.  
Senior General Attorney, Law Department

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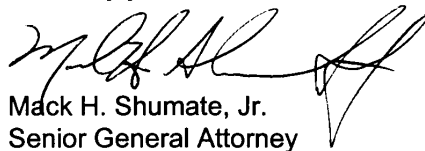
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At the end of the 180 day public use period, the permissible period for interim trail use will be the only avenue remaining for continued negotiations concerning acquisition of all or any portion of the Line. Unless there is a good faith effort for interim trail use supported by evidence of adequate funding to pay for the value of the Line, it is contemplated that the Line will be salvaged and disposed of in accordance with the terms outlined in the Petition For Exemption.

For the record, both the letters from the Iowa Department of Transportation dated February 21, 2003 and the letter from North American Railcar Operators dated March 10, 2003 were filed after the January 28, 2003 deadline to stay any action in this matter and must have been received by the Board prior to February 7, 2003 in order to reopen the matter. Therefore, the Iowa Department of Transportation's request to modify the STB Order to permit removal of track, ties and otherwise make surface improvements at the crossings has not been filed within the deadlines established by the Board in the Order.

In view of the short time frame still remaining for the public use condition, August 10, 2003, if an acceptable offer supported by adequate funding is not made to the UP within the next two months to adequately compensate the UP for the value of the Line or a portion thereof, it is expected that the Line will in fact be abandoned and salvaged. This would include all of the at-grade crossings that are of concern to the Iowa Department of Transportation.

Sincerely yours,



Mack H. Shumate, Jr.  
Senior General Attorney

Enclosures

cc: Iowa Natural Heritage Foundation  
Iowa Department of Transportation  
North American Railcar Operators